

(3) The number and amounts of undetermined cases in the sample and the total amount of payments from all undetermined cases.

(4) The number of cases dropped from review due to active fraud investigations.

§ 431.992 Corrective action plan.

The State agency must submit to CMS a corrective action plan to reduce improper payments in its Medicaid and SCHIP programs based on its analysis of the error causes in the FFS, managed care, and eligibility components.

§ 431.998 Difference resolution process.

(a) The State may file, in writing, a request with the Federal contractor to resolve differences in the Federal contractor's findings based on medical or data processing reviews on FFS and managed care claims in Medicaid and SCHIP. The State must have a factual basis for filing the difference and must provide the Federal contractor with valid evidence directly related to the error finding to support the State's position that the claim was properly paid.

(b) For a claim in which the State and the Federal contractor cannot resolve the difference in findings, the State may appeal to CMS for final resolution.

(1) The difference in findings must be in the amount of \$100 or greater; and

(2) The agency must provide CMS with the facts and valid documentation to support its determination that the claim was correctly paid, as well as the Federal contractor's justification for upholding its initial error finding.

(3) CMS will make the final decision on the claim. There will be no further judicial or administrative review of CMS' decision.

(c) All differences, including those pending in CMS for final decision that are not resolved in time to be included in the error rate calculation, will be considered as errors for meeting the reporting requirements of the IPIA. Upon State request, CMS will calculate a subsequent State-specific error rate that reflects any reversed disposition of the unresolved claims.

§ 431.1002 Recoveries.

(a) *Medicaid*. States must return to CMS the Federal share of overpayments based on medical and processing errors in accordance with section 1903(d)(2) of the Act and related regulations at part 433, subpart F of this chapter. Payments based on erroneous Medicaid eligibility determinations are addressed under section 1903(u) of the Act and related regulations at part 431, subpart P of this chapter.

(b) *SCHIP*. Quarterly Federal payments to the States under Title XXI of the Act must be reduced in accordance with section 2105(e) of the Act and related regulations at part 457, subpart B of this chapter.

PART 432—STATE PERSONNEL ADMINISTRATION

Subpart A—General Provisions

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AUTHORITY: Sec. 1102 of the Social Security Act (42 U.S.C. 1302).

SOURCE: 43 FR 45199, Sept. 29, 1978, unless otherwise noted.

Subpart A—General Provisions

§ 432.1 Basis and purpose.

This part prescribes regulations to implement section 1902(a)(4) of the Act, which relates to a merit system of State personnel administration and training and use of subprofessional staff and volunteers in State Medicaid programs, and section 1903(a), rates of